

SUBJECT: Improving the Determination Process for Deobligating Unliquidated Balances in Prior Year Travel Authorizations (TAs)

NEW MATERIAL: Per ADS 621, Obligations, only the Bureau for Management, Office of Administrative Services, Travel and Transportation Division (M/AS/TT) and the Bureau for Management, Office of Financial Management, Accounting Division (M/FM/A) have the authority to deobligate unliquidated funds in TAs. Striving for an efficient division of labor, it was recently decided that M/AS/TT would be responsible for deobligating funds in current year TAs while M/FM/A has the responsibility for deobligating funds in prior year TAs. Based on the potential for upward adjustments due to prematurely deobligating funds, M/FM/A is hesitant to automatically deobligate residual funds without a proper review by the respective Bureau/Office.

EFFECTIVE DATE: 03/31/05

POLICY

USAID/General Notice
M/MPI and M/FM/A
04/05/2005

Subject: Improving the Determination Process for Deobligating Unliquidated Balances in Prior Year Travel Authorizations (TAs)

Per ADS 621, Obligations, only the Bureau for Management, Office of Administrative Services, Travel and Transportation Division (M/AS/TT) and the Bureau for Management, Office of Financial Management, Accounting Division (M/FM/A) have the authority to deobligate unliquidated funds in TAs. Striving for an efficient division of labor, it was recently decided that M/AS/TT would be responsible for deobligating funds in current year TAs while M/FM/A has the responsibility for deobligating funds in prior year TAs.

Based on the potential for upward adjustments due to prematurely deobligating funds, M/FM/A is hesitant to automatically deobligate residual funds without a proper review by the respective Bureau/Office. In an effort to improve the determination process for deobligating unliquidated balances in TAs, the procedures outlined below will be implemented and followed:

A. On a quarterly basis, M/FM/A will obtain a master list of prior year TAs with no payment activity for 12 months, sorted by Bureau/Office and Operating Unit.

B. After conducting an initial screening, M/FM/A will assign one of the following status codes for each TA:

- 1 - OK to deob by M/FM/A. [Records indicate payment has been made for both per diem and transportation.]
- 2 - Appears that travel did not occur.
- 3 - Advanced amount needs to be cleared.
- 4 - Needs employee voucher.
- 5 - Needs carrier voucher. No Bureau comment necessary.

Note: In cases where a payment must be made against a TA obligation when there are insufficient funds in the TA, M/FM/A will request needed funds from the Bureau for Management, Office of Financial Management, Central Accounting and Reporting (M/FM/CAR) and then process upward adjustments.

C. M/FM/A will send the list to the established points of contact in each Bureau/Office and establish a two-week deadline for a response from the Bureau/Office.

D. For TA's with status codes 1-4, the Bureau/Office will take the following actions as necessary and use the "Comments to FM" column, as appropriate, to communicate to M/FM/A: [Note: TAs with status code 5 require follow-up action by M/FM/A.]

1 - OK TO DEOB BY M/FM/A: The Bureau/Office will confirm that M/FM/A may deobligate funds immediately by annotating "OK" in the "Comments to FM" column of the list. Otherwise, the Bureau/Office will provide a brief but clear justification for keeping the funds. If the Bureau/Office does not respond by the established deadline, M/FM/A will deobligate funds in the TA immediately.

2 - APPEARS THAT TRAVEL DID NOT OCCUR: The Bureau/Office will verify and confirm that the trip did not occur and annotate "OK to deob" in the "Comments to M/FM" column. If the trip did occur, then provide explanation, e.g., "research", "deob", "voucher to be submitted."

3 - ADVANCED AMOUNT NEEDS TO BE CLEARED: M/FM will verify the outstanding advance amount and notify the Bureau/Office and traveler via email marked "read receipt" that (1) under ADS 633.5.3, Travel Voucher Processing Requirements, the traveler was required to file a voucher within 5 business days of the completion of a trip or 30 calendar days of an extended trip to liquidate the advance; (2) because the traveler has not filed such a voucher, the traveler owes the Agency the advance; (3) the traveler has 5 days from the date of this email to file a voucher; and /or repay the advance (4) if a voucher is not submitted or the advance otherwise liquidated, the Agency reserves the right to issue a bill for collection for the advance and proceed with collection procedures detailed in ADS 625.3.6.4, Employee Claims.

4 - NEEDS EMPLOYEE VOUCHER: The Bureau/Office will alert the traveler via email marked "read receipt" (with a copy to the employee's supervisor and the "Travel

Vouchers - Washington" mailbox for follow-up by M/FM/A and M/FM/CMP) notifying the traveler that (1) under ADS 633.5.3, Travel Voucher Processing Requirements, the traveler was required to file a voucher within 5 business days of the completion of a trip or 30 calendar days of an extended trip to liquidate the advance; (2) the traveler has not filed such a voucher and therefore, can be denied any reimbursement for any expenses under the TA; (3) the traveler has 5 days from the date of this email to file a voucher; and (4) if the voucher is not submitted within 5 days of the email, the Agency reserves the right to deny the voucher as untimely; not reimburse the traveler for any travel expenses under the TA; and deobligate the funds. In cases where there is an outstanding voucher and the employee has either left the Agency or moved to another Bureau or Mission, then the Bureau will notify M/FM/A that the employee is no longer with the Bureau. M/FM/A will then send the email or other communication to the employee.

E. The Bureau/Office will return the annotated list to M/FM/A within two weeks of receipt.

F. M/FM/A will take appropriate action based on each Bureau/Office's review and determination of prior year TAs. If justification for not deobligating funds is provided, M/FM/A will review the justification. If deemed valid, the deobligation will not be processed.

The procedures outlined above will assure more funds are made available to USAID for other purposes while keeping the Agency's pipeline (unexpended obligating balance) at a respectable level.

If you have any questions regard this notice, please contact Gloria White, M/MPI, 202-712-5339, or Jeff Carr, M/FM/A, 202-712-0124.

Notice 0416

File name	Notice Date	Effective Date	Editorial Revision Date	ADS CD No.	Remarks
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